

THE

Gökçe

# Fine PRINT

December 2017

63

## Crowdfunding Regulations in Turkey



### Highlights of this issue

Other Significant Changes Introduced  
by the Law Numbered 7061

## **CROWDFUNDING REGULATIONS IN TURKEY**

The Law Amending Certain Tax Laws and other Laws has been published in the Official Gazette on 05/12/2017 and entered into force with many articles. This law introduced regulations on tax law and “crowdfunding” activities that have been long-awaited to be regulated.

### **Crowdfunding Has Been Included in Turkish Law**

Crowdfunding has been on the agenda for a while in Turkey and the world as a method of “accessing to financial resources” hence many venture firms and project owners experienced with difficulties to provide funds for putting their ideas in practice and resourcing their projects. In Turkey, with Law numbered 7061, crowdfunding and the platforms to carry these activities have been defined and the legal grounds of them have been recognized.

Within the scope of the Capital Markets Law (Law), crowdfunding is defined as fundraising from the public through crowdfunding platforms in accordance with the principles designated by Capital Markets Board (Board) in order to provide funds needed by the venture firms or the projects; and the crowdfunding platforms have been defined as crowdfunding organizations acting as intermediaries providing services in an electronic environment for crowdfunding.

The most important innovation introduced for crowdfunding has been the authorization system. Accordingly, Board is required to authorize the activities conducted by the crowdfunding platforms to raise funds from the public within the meaning crowdfunding, without prejudice to the provisions regarding charity and donation set forth in other laws.. In addition, the principles and the rules regarding the operation of these platforms, including shareholders, share transfers, employees and the maximum amount of money that can be invested/ collected will be determined by Board.

In case it is determined that the crowdfunding platforms perform illegal activities and transactions, Board is authorized to demand the fixation of the failure compliance with the law or to limit or suspend the scope of the activities or to cancel the authorities by giving time to relevant platform. Moreover, Board will be able to take other measures, it deems appropriate.

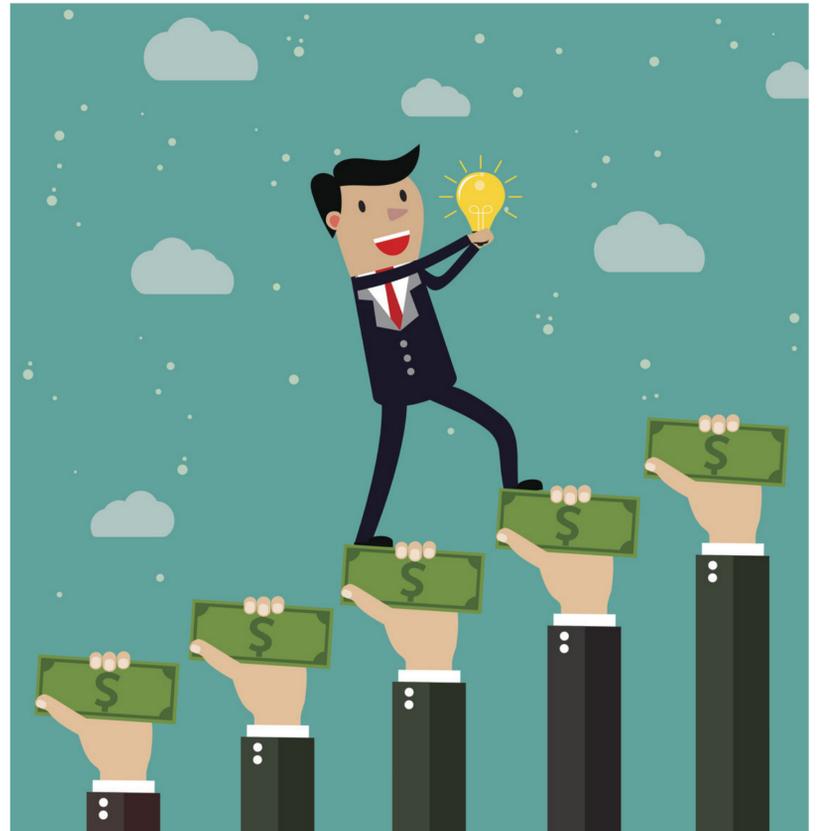


Without obtaining permission from Board, in case of;

- Any fundraising from the public through crowdfunding platforms and/or
- Any leveraged transactions (the process for making larger volumes of work with less capital) to abroad via the Internet towards residents in Turkey and execution of derivative transactions subject to the same provisions with leverage procedures

Information and Communication Technologies Authority has been authorized to prevent access to the related websites upon the application of Board.

In addition, it has been regulated that crowdfunding platforms will not be considered as “publicly traded partnership” or “issuer”, even if they carry the publicly traded partnership or issuer characteristics set out in Capital Markets Law. Furthermore, crowdfunding platforms have been exempted from the provisions specified that the shares of joint stock companies that have more than five hundred shareholders are being considered as publicly offered.



## **The Validity Period of the Provision Allows to Issue Post-dated Cheques Has Been Extended**

The validity period of the provision allows the early submission of a post-dated cheque to the drawee bank has been extended from December 31, 2017 to December 31, 2020. Thus, the cheques issued in advance will be paid till 31 December 2020 by submitting them to the bank before the date of issuance.

## **Parallel Provisions to the Regulations regarding ETBIS Have Been Brought to the Law on the Regulation of E-Commerce**

Parallel regulations to Communiqué on Information System for Electronic Commerce and Notification Obligations entered into force on August 11, 2017 had been brought to the Law on the Regulation of E-Commerce. Accordingly, the obligation of registration and notification to the Electronic Commerce Information System (ETBIS) has been imposed on service providers and intermediaries possessing certain qualifications.

In addition, a provision for the private legal entities acting against the regulations mentioned above has been designated to impose administrative penalties from five thousand Turkish Liras to twenty thousand Turkish Liras.

## **MERNIS Addresses Have Been Included in Known Addresses**

Within the scope of the amendments made in the Tax Procedure Law, the address in the MERNIS registry is included in the definition of “known address” and now the notifications can be issued to the MERNIS addresses.

For further information please contact us at [contact@gokce.av.tr](mailto:contact@gokce.av.tr)

# Answers. Not theories.

## Gokce Attorney Partnership

### Editors:



**Assoc. Prof. Dr. Ali Pasli**  
ali.pasli@gokce.av.tr



**Yağmur Yollu**  
yagmur.yollu@gokce.av.tr

### About our firm

Gokce Attorney Partnership is an Istanbul-based law firm offering legal services across a broad range of practice areas including mergers and acquisitions, joint ventures, private equity and venture capital transactions, banking and finance, capital markets, insurance, technology, media, telecoms and internet, e-commerce, data protection, intellectual property, regulatory, real property, and commercial litigation. Please visit our web site at [www.gokce.av.tr](http://www.gokce.av.tr) for further information on our legal staff and expertise.

**Please contact us at**  
**contact@gokce.av.tr**  
**0 212 352 88 33**

*The Fine Print is prepared and published for general informative purposes only and does not constitute legal advice or create an attorney-client relationship. Should you wish to receive further information, please contact Gokce Attorney Partnership. No content provided in The Fine Print can be reproduced or re-published without proper attribution or the express written permission of Gokce Attorney Partnership. While all efforts have been made to ensure the accuracy of the content, Gokce Attorney Partnership does not guarantee such accuracy and cannot be held liable for any errors in or reliance upon this information. The Fine Print was created for clients of Gokce Attorney Partnership and the possibility of circulation beyond the firm's clientele should not be construed as advertisement.*